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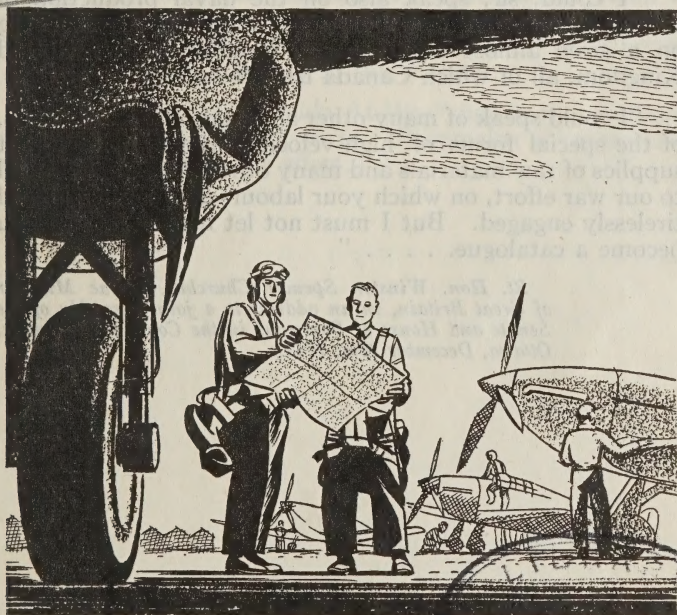
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# CANADA AT WAR

No. 10

JANUARY 1st

1942



Issued by the Director of Public Information, Ottawa, under authority  
of the Hon. J. T. Thorson, Minister of National War Services

JAN 31 1942

UNIVERSITY OF TORONTO

## *"I Could Speak of..."*

"CANADA, sir, occupies a unique position in the British Empire because of its unbreakable ties with Britain and its ever-growing friendship and intimate association with the United States. Canada is a potent magnet, drawing together those in the new world and in the old whose fortunes are now united in a deadly struggle for life and honour against the common foe.

"The contribution of Canada to the Imperial war effort, in troops, in ships, in aircraft, in food and in finance has been magnificent . . . . "

"I could, sir, speak also on the naval production of corvettes and above all of merchant ships which is proceeding on a scale almost equal to the building of the United Kingdom, all of which Canada has set on foot.

"I could speak of many other activities . . . . of tanks, of the special forms of high-velocity cannon, of the great supplies of raw materials and many other elements essential to our war effort, on which your labours are ceaselessly and tirelessly engaged. But I must not let my address to you become a catalogue. . . . . "

*Rt. Hon. Winston Spencer Churchill, Prime Minister of Great Britain, in an address to a joint assembly of the Senate and House of Commons in the Commons Chamber, Ottawa, December 30th, 1941.*

## CHANGE OF PRESENTATION

WITH the tenth monthly issue of "Canada At War", a change of presentation is inaugurated. In the interest of economy—the saving of paper—the booklet will henceforth be issued in supplement form. There will be supplements issued monthly for three consecutive months: e.g., January, February and March; and a complete booklet will be issued in the fourth month. The next complete booklet will consequently be revised to April 1, and incorporate information contained in the three supplements and preceding booklets. Future issues of "Canada At War" will be published in this manner.

The purpose of "Canada At War" has in no way been changed by its different form. It remains a cumulative record of Canada's war effort.



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## CANADA IN THE WORLD CONFLICT

ON December 8th, 1941, the Prime Minister of Canada announced a state of war had existed between Canada and Japan as from December 7th. The declaration followed within a few hours a similar declaration against three Axis satellites: Hungary, Rumania and Finland. By its prompt declaration against Japan, Canada became the first democracy officially to go to war with the Far Eastern aggressor.

With the entry of Japan into war, virtually the entire world became involved in the life and death struggle. The widened field of conflict was described by Prime Minister Mackenzie King in announcing the declaration of war against Japan:

"It is now a war of hemispheres as well as of continents. To the Battle of the Atlantic has been added the Battle of the Pacific. The world-encircling danger has grown into actual conflict in all quarters of the globe. This continent, through the combined actions of the axis powers has been drawn into a world conflict to the extent of its entire resources."

Canada, already committed to a maximum war effort against the European Axis, had been waging war for more than two years at the outbreak of the Pacific war. On September 10th, 1939, Canada officially declared war on the Third Reich.

# **CANADA, THE UNITED STATES AND THE WAR**

**M**OST important result of the Japanese war to Canada was the outright military and economic alliance which followed. From the beginning of Canadian participation in the war against the European Axis the United States had extended "all aid short of war" to the Dominion. The vast industrial resources of the United States enabled Canada to a very important extent to build up her war production. Such implements as machine tools originally came almost entirely from United States manufacturers. Many airplanes for the British Commonwealth Air Training Plan came from American plants.

Prior to the outbreak of hostilities in the Pacific closer military and economic ties were being forged. Committees, formed to deal with U.S.-Canada collaboration, were:

- (1) Canada-United States Permanent Joint Board on Defence.
- (2) Joint Economic Committees.
- (3) Joint War Production Committee.
- (4) Joint Materials Co-ordinating Committee.

## **Joint Defence**

**W**HILE the work of the Canada-U.S. Defence Board is secret it was announced on December 21st by the Board that "military, air and naval plans heretofore made are in satisfactory operation".

It was also stated that insofar as the defence of the northern half of the western hemisphere was concerned no boundary existed between the two countries. United States troops, in effect, may be used as required and arranged in any part of Canada, or Canadian troops may similarly be employed in Alaska or the United States.

Another evidence of the Board's work has been the creation of a chain of air fields from Edmonton through the Canadian north-west to Alaska. Landing facilities were already in existence from the U.S. border to Edmonton. The chain will permit the transfer of a



powerful air force from United States bases to Alaska within 24 hours. The project was undertaken on the recommendation of the Board.

The Board was established by the Ogdensburg agreement entered into between the Prime Minister and the President on August 17th, 1940. Formation of the body had been forecast some time prior to the announcement. At Kingston, Ontario, on August 18th, 1938, President Roosevelt made the historic statement:

"The people of the United States will not stand idly by if domination of Canadian soil is threatened by any other Empire".

Prime Minister King, two days later, acknowledged the President's declaration, stating that Canada would reciprocate.

For many months prior to United States involvement in a shooting war, Canadian and U.S. troops had been manning co-ordinated defence posts. In Newfoundland and Iceland the armed forces of both nations were stationed.

## **Economic Co-operation**

THE framework for economic co-operation was erected by the Hyde Park Declaration of April 20th, 1941. The agreement provided a basis for the solution of Canada's pressing foreign exchange problem and paved the way for co-ordination of the production of war materials by both countries. Prime Minister King termed the agreement "a simple and logical extension, to the economic sphere, of the Ogdensburg Agreement". The Joint Economic Committees, formed in June, 1941, act in an advisory capacity to the governments at Ottawa and Washington to study and report the possibilities to:

- (1) Effect a more economic, efficient and co-ordinated utilization of the combined resources of the two countries in the production of defence requirements, and

- (2) Reduce the probable post-war economic dislocation consequent upon the changes which the economy in each country is undergoing.

Included in the many economic questions being studied by the Committees are: Implementation of the Hyde Park agreement; foreign exchange control; control of exports; synchronization of economic controls in the two countries; co-ordination of price policies; reduction of obstacles, such as tariffs and import duties, restricting the free flow of supplies for war purposes; and post-war planning.

This phase of the committees' work becomes increasingly important as war ravages many areas of the world and the economies of the United States and Canada are more and more devoted to war. The committees are now making plans for the time the war economies will have to be geared down to peacetime conditions. All possible contingencies are being studied: Unemployment; post-war inflation following the release of stored-up purchasing power; tariff barriers; surplus of manufacturing facilities and agricultural resources; rehabilitation of the war-torn countries of the world and other numerous problems expected for the post-war period.

## **War Production**

**F**ORMATION of the Joint War Production Committee was announced on November 5th, 1941. Establishment of the Production Committee was recommended by the Economic Committees and its purpose was stated: "To survey the capacity and potential capacity for the production of defence material in each country, to the end that in mobilizing the resources of the two countries each country should provide for the common defence effort, articles which it is best able to produce" and that this industrial integration would be worked out so as to minimize "maladjustments in the post-defence period."

The Joint War Production Committee announced at the outbreak of the Japanese war that war production of both countries would be completely co-ordinated for the most efficient prosecution of the war.

It stated: Victory will require maximum war production in both countries in the shortest possible time; speed with volume of war output, not monetary cost, are the primary considerations. To achieve this end will require maximum use of labor and raw materials of each country. The



production and resources of both countries will be integrated and directed towards a common program of requirements. The production program of each country is to be integrated for maximum output. Scarce raw materials are to be allocated between the two countries to obtain maximum efficiency in utilization for the common cause. Legislative and administrative barriers, including tariffs, import duties, customs and other restrictions impeding the flow of munitions and war supplies between the two countries will be modified, suspended or eliminated during war.

## **Materials Co-Ordination**

ONE of the most vital necessities of a nation at war is an ample supply of raw materials. Many years before the outbreak of hostilities the Axis nations were laying away supplies of strategic war supplies.

More self-sufficient generally than the European and Asiatic belligerents, Canada and the United States nevertheless find their supplies of such materials as tungsten, tin, rubber and hemp imperilled by the spread of war into the Pacific.

Establishment of the Joint Materials Co-ordinating Committee was announced on May 1st, 1941. The Committee was formed to promote the movement of primary materials between the two countries; increase available supplies, and collect and exchange information on raw material stocks in the United States and Canada. It will distribute available supplies for war production in the most effective manner possible.

The Committee has since its formation completed many arrangements on raw material supplies. It arranged for a large increase in Canadian aluminum production for export to the United States; it substantially increased production of nickel for United States consumption; increased the movement of zinc concentrates to the United States; arranged large sales of lead metal to the United States. It also arranged for the distribution of chrome and manganese ore between the two countries, as well as numerous other "critical" metals. It has effected colla-

boration in the purchase of "critical" items, such as tin. It has been the clearing house for purchases of asbestos by the United States from the Dominion.

## **"New World Order"**

**T**HE economic and military ties between the North American democracies are the outgrowth of the close and harmonious relations long existing between them—cemented against a common foe.

Prime Minister King on November 12th, 1940, said of the defence agreement:

"The link forged by the Canada-United States defence agreement is no temporary Axis. It was not formed by nations whose common tie is a mutual desire for the destruction of their neighbours. It is part of the enduring foundation of a new world order, based on friendship and good will. In the furtherance of this new world order, Canada, in liaison between the British Commonwealth and the United States, is fulfilling a manifest destiny".

# THE ARMED FORCES

NOTE: The following figures of manpower in the armed services are necessarily approximate as such statistics are of vital interest to the enemy. They indicate in a general way the strength of Canada's armed forces to-day.

## *Voluntarily Enlisted for Service Anywhere*

Navy.....	More than 27,000
Army.....	More than 260,000
Air Force.....	More than 100,000

**TOTAL.....More than 387,000**

## *Already Serving Outside Canada*

**In All Three Forces.....More than 150,000**

## *Enlisted for Service in Canada*

Reserve Army Liable to be Called Out for Home	
Defence.....	More than 140,000
Men Conscripted for Duration of War for Service	
in Canada.....	More than 15,000

## The Navy

**R**APID growth of the Royal Canadian Navy since the outbreak of war is indicated by the following figures:

	<i>Pre-war</i>	<i>To-day</i>
Ships.....	15	More than 300
Active service strength.....	1,800	More than 27,000

Loss of the H.M.C.S. "Windflower" during December brought to six the number of vessels lost since the outbreak of war. The "Windflower," a corvette, was sunk in a collision while on convoy duty, with a loss of 23 lives.

Corvettes in the service of the Royal Canadian Navy have played an important part in convoying more than 50 million tons of cargo to Britain. They are designed for convoy work and patrol duties, and are being turned out in quantity by Canadian shipyards.

It was two corvettes, the H.M.C.S. Chambly and H.M.C.S. Moose Jaw which sank a German U-boat in the North Atlantic, the details of which were made public in



December. The Canadian corvettes captured 47 survivors of the U-boat crew.

Describing the action, the Admiralty communique stated: "This action fought by two Canadian-built corvettes is a splendid demonstration of the protection given to convoys by ships of the Royal Canadian Navy."

Reflecting the greatly increased importance of the Royal Canadian Navy, promotions were made of senior officers of the service near the end of the year. Vice-Admiral Percy W. Nelles, R.C.N., Chief of Naval Staff, was promoted from the rank of rear admiral, thereby becoming the first R.C.N. officer to hold the rank. Commodore George C. Jones, R.C.N., and Commodore Leonard W. Murray, R.C.N., were promoted to the rank of Rear Admiral. Rear Admiral Jones is commanding officer of the Atlantic coast and Rear Admiral Murray is in command of the forces based on Newfoundland.

The Royal Canadian Naval College will be opened in September, 1942, at Hatly Park, near Esquimalt, B.C. The College will be used for training officers in the Royal Canadian Naval Volunteer Reserve and will be known as H.M.C.S. "Royal Roads."

## **The Army**

**E**XPANSION of the Canadian Army since the outbreak of war is indicated by the following figures:

	<i>Pre-war</i>	<i>To-day</i>
Voluntarily enlisted for service anywhere . . .	4,500	More than 260,000
Enlisted for home defence . . . . .	55,000	More than 155,000

### ***Canadians at Hong Kong***

**I**N the first major test of the Canadian Army in the present war a battalion of the Royal Rifles of Canada and a battalion of the Winnipeg Grenadiers fought with other troops from the British Isles and India in a heroic defence of Britain's Far East outpost at Hong Kong. The Canadian forces numbered about 2,000.

The Japanese, in overwhelming superiority, attacked Hong Kong on December 7th. Without air support and with British sea power seriously impaired by the loss of its two

capital ships the Repulse and Prince of Wales, the garrison defended the island foot by foot, until on Christmas day the official communique stated: "The military and naval commanders informed the Governor no further resistance could be made."

Casualties in the bitter fighting were heavy, but because of the difficulty involved no immediate count could be made. Brigadier J. K. Lawson, commander of the Canadian forces, was believed killed. His senior staff officer, Colonel Patrick Hennessy, was officially reported killed.

The Canadians had been in Hong Kong only a few weeks before the attack on the Crown Colony. Arrival of the units was announced by the Canadian Prime Minister on November 15th.

Defence Minister Ralston stated in part of the heroic Hong Kong defence: "The news that fighting has ceased in Hong Kong marks the end of one of the most gallant episodes in the history of Canadian arms. . . ."

"Hong Kong will be a sombre but glorious page in the record of the Canadian army."

### *Home Defence*

THE Pacific war brought home to Canadians on the West Coast of the country the fact that war was coming closer to the Dominion. Black-out regulations and precautions against enemy attack from the sea or air, known previously only to Canada's East Coast, were brought into effect in Pacific Coast cities and towns.

Army defences, long range coastal guns, anti-aircraft batteries and search-lights were placed on the alert. Pre-arranged plans for such a contingency were executed.

Land defences of the West Coast have been undergoing considerable strengthening in the past three years. With tension growing in the Far East this work was substantially advanced.

Defence of Canada's two coasts is entrusted to two commands, the Atlantic and Pacific command, who are charged with all matters concerning defence of the coastal areas.

In the Canadian Army in Britain Lt.-Gen. H. D. G. Crerar, former Chief of the General Staff, was named Acting Commander of the Canadian Corps in the absence of Lieut.-General A. G. L. McNaughton, who has been temporarily relieved of his command because of illness.

Major-General Kenneth Stuart, D.S.O., M.C., newly appointed Chief of the General Staff, was promoted to the rank of Lieutenant-General. Brigadier Maurice A. Pope, M.C., Vice-Chief of the General Staff, became a Major-General.

## **The Air Force**

**T**HE largest contingent of Empire airmen to come from Canada arrived in the United Kingdom late in December to fight alongside their comrades in the air battles over Europe and other theatres of war.

More than half the airmen were Canadians. The remainder were New Zealanders, Royal Air Force men trained in Canada and Norwegians trained at the "Little Norway" training centre in Toronto. A number of the airmen's uniforms bore the insignia U.S.A. Air crew in the contingent outnumbered ground personnel.

By the end of 1941 Royal Canadian Air Force personnel reached a strength approximately 25 times that of pre-war levels. The present objective of 25 squadrons overseas will be realized in the near future. At the end of the year there were 21 R.C.A.F. squadrons overseas, 16 of which were fully operational.

Growth of the R.C.A.F. is illustrated by the following approximate figures of strength:

*Pre-war*  
4,000

*To-day*  
More than 100,000

## **At Home**

**O**N the Pacific Coast widespread patrol and scouting activities were in operation when hostilities broke in the Far East. Hundreds of miles of indented coastline are being constantly watched from the air. The Air Force is co-operating with the Navy in maintaining a ceaseless vigilance over the Pacific shores of the country.



## **The British Commonwealth Air Training Plan**

THE frame-work of the greatest air training scheme in the world was completed with the opening of the Mt. Joli, Quebec, bombing and gunnery school late in December. This unit brought to more than 90 the number of air schools in Canada under the British Commonwealth Air Training Plan.

In addition to the training schools, 130 air establishments have been developed under the scheme. There are about 120 airdromes and approximately 2,000 buildings. Paved runways of the airdromes are equivalent to over 1,000 miles of highway of the standard width of 21 ft.

Original estimate of the Plan's cost was \$600 millions. Representatives of Canada, the United Kingdom, Australia, and New Zealand drew up the program in December, 1939. Canada was to assume \$350 millions of the estimated burden.

With steady expansion of the Plan, estimated cost rose to \$1,000 millions of which Canada's share will be \$600 millions.

Speaking at Montreal, Air Minister C. G. Power forecast a tripling of graduates of the Plan in 1942. Mr. Power stated:

"With respect to the Royal Canadian Air Force the year 1941 saw the completion of our construction and establishment program; the year 1942 will see us achieve our peak in production; and whereas today there are thousands of the Joint Air Training Plan graduates manning and fighting British aircraft in Britain and in all parts of the world, by this time next year the number we will have in active service on all fronts will be at least three times those who are serving today—volunteers to a man."

The Air Minister declared air superiority over the enemy is vital to victory.

## **Women in Uniform**

ABOUT 18,000 application forms have been sent Canadian women prepared to enrol in the Canadian Women's Army Corps and the Canadian Women's Auxiliary Air Force.

The women are to be recruited when needed to replace men for active service. More than 900 women wear the C.W.A.A.F. uniform and more than 1,000 have been recruited by the C.W.A.C.

Women are employed in both services as car, truck and ambulance drivers, wireless operators, laboratory assistants, office clerks, hospital attendants, cooks, etc. They enlist for the duration of the war and one year after.

Hon. J. T. Thorson, Minister of National War Services, has stated that Canadian war factories have absorbed 70,000 women and girls from 18 to 60. They have proved excellent workers and as satisfactory as the men they have replaced.

## Casualties

THE following are among the casualties reported to December 31st, 1941:

### *Navy*

Killed on active service.....	390
Other deaths.....	49
<b>Total dead.....</b>	<b>439</b>

### *Army\**

#### OVERSEAS

Killed by enemy action.....	47
Died (all causes).....	420
Missing.....	5

#### IN CANADA

Deaths (all causes).....	504
<b>Total dead and missing*.....</b>	<b>976</b>

### *Air Force*

Killed.....	661
Died.....	114
Missing.....	416
Drowned.....	8

<b>Total dead and missing.....</b>	<b>1,199</b>
Prisoners of war.....	117

**TOTAL (ALL FORCES) DEAD AND MISSING\*..... 2,614**

\*Does not include casualties incurred at Hong Kong, which had not been ascertained at December 31st.

# **CANADA: ARSENAL AND STOREHOUSE**

## **Supplies to the Battlefronts**

**C**ANADIAN industry at war established a new high record of production in 1941. That level will be exceeded again in 1942 as the industrial war effort expands further.

About 45% of contracts awarded by the Department of Munitions and Supply have been placed on British and other account, indicating the important part Canada is playing in arming her allies.

Despite the loss of trade with enemy countries and enemy-occupied territory, total value of Canadian exports, exclusive of gold, in the first 11 months of the year totalled \$1,471 millions, compared with \$1,081 millions in the same period of 1940 and \$824 millions in the comparable period of 1939. The increase from 1939 to 1941 was \$646 millions, or 78%.

Canadian aid to Britain reached a flood in 1941. In the first 11 months of 1941 exports to the United Kingdom totalled \$610 millions, compared with \$477 millions and \$299 millions in the corresponding periods of 1940 and 1939. These exports in 1941 consisted mainly of food, war materials and munitions.

In the North African theatre of war Canadian manufactures are playing an important role. Egypt, now Canada's largest customer, received more than \$66 millions of Canadian supplies in the first 11 months of the year, compared with \$4 millions in the same period of 1940. The wide increase shown constituted equipment shipped there for the Libyan campaign.

Exports to British India and Burma rose to \$38 millions in the first 11 months of 1941 from \$19 millions in the same period of 1940. Exports to other friendly countries and colonies showed marked increases.



Following are Canadian exports according to destination in the first 11 months of 1939 and 1941:

<i>Destination</i>	<i>Exports in First 11 months of 1939</i>	<i>Exports in First 11 months of 1941</i>
United Kingdom.....	\$298,782,000	\$609,811,000
Rest of Empire.....	94,637,000	201,671,000
United States.....	326,396,000	537,479,000
Russia.....	—	2,501,000
China.....	2,502,000	6,233,000
Egypt.....	330,000	66,034,000
India and Burma.....	4,750,000	37,542,000
Straits Settlements.....	2,442,000	8,973,000
Newfoundland.....	7,857,000	27,534,000
Japan.....	26,659,000	1,502,000
All Countries.....	823,905,000	1,470,531,000

## Manufacturing War Equipment

THE vast quantity of war supplies and equipment being manufactured in Canada is indicated by the total value of contracts awarded and commitments made by the Department of Munitions and Supply on Canadian, United Kingdom, and other account to the end of 1941. From July 14, 1939, to Dec. 31, 1941, the aggregate was \$3,201 millions. Contracts placed on Canadian account, including plant extensions, totalled \$1,721 millions; United Kingdom, \$1,315 millions; airport construction under the Empire Air Training Plan, \$33 millions, and other account, \$132 millions. About \$550 millions has been provided in the form of capital assistance for the construction of new plants, extension of old and installation of machinery and equipment.

The variety and magnitude of Canada's industrial war effort is shown, in a list of the major items coming off production lines of the nation. Ranging from the smallest bullet to the largest bomb, from fuses to tanks, the list reveals the diversity of the industrial effort:

### *Ships*

Cargo boats, 2 types  
Minesweepers, 5 types  
Corvettes  
Motor torpedo boats  
Patrol boats

Special service ships  
Small boats, 30 types  
Conversion of vessels to war needs  
Boilers, generators, binnacles, and  
general marine equipment.

## ***Guns***

25-pounder field guns, with equipment, trailers and tractors.	2-inch trench mortars
Bofors anti-aircraft gun barrels	3-inch trench mortars
Bofors anti-aircraft guns, carriages, and equipment	Bren guns
3.7-inch anti-aircraft gun barrels	Browning aircraft machine guns
Tank guns and mountings, 2 types	Naval gun mountings, 5 types
Anti-tank guns and carriages, 2 types	Lee-Enfield rifles
	Safety fuse pistols
	Naval guns, one type
	Depth charge throwers

## ***Ammunitions***

Small arms ammunition, 9 types of 4 calibres	Depth charges, 2 types
Shells, 20 types	Anti-tank mines
Cartridge cases, 16 types	Rifle grenades
Fuses, 8 types	Pyrotechnics of 50 basic kinds for aerial, field, naval, and practice uses.
Gaines, 2 types	Trench mortar bombs, 7 types
Primers, 5 types	Filled rounds of ammunition, bombs, and depth charges.
500-lb. aerial bombs	
Practice bombs	

## ***Chemicals and Explosives***

Chemicals, 12 types	Explosives, 8 types
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## ***Airplanes***

Training planes, 6 types  
Service planes, 2 types  
Link trainers

## ***Tanks***

Cruiser tanks  
Infantry tanks

## ***Vehicles***

Universal carriers	Fire trucks, 3 types
Wireless trucks, 3 types	Military tires, 12 types
Ambulances, 4 types	Army mechanized transport, 90 types on 12 different chassis
Field workshops, 12 types	

## ***Miscellaneous***

Armour plate	Minesweeping gear, 3 types
Clothing and boots for Navy, Army, Air Force, Women's Militia, and Air Force Auxiliary Corps	Technical naval equipment
Personal equipment	Searchlights, 9 types
Sighting and optical instruments, 37 types	Smoke projectors, 6 types
Special military and naval instruments, 10 types	Marine smoke floats, 3 types
Radiolocators	Hospital equipment and supplies
Wireless transmission and receiving equipment for the three services	Gas decontamination suits and equipment
Gas masks, 2 types	Military furniture and forms
Steel helmets	Fire hose
Parachutes, 3 types	Asbestos and fibre glass rescue suits
Flare parachutes, 4 types	Ammunition boxes, 4 types
	Machine tools, 4 general types in hundreds of sizes
	Gauges, 15,000 basic items
	Bren gun tripods
	Anti-submarine equipment

Production of facilities to provide many of the materials which enter into the manufacture of these items has been sharply increased. Included among these materials are brass, armour plate, special alloy steel for gun barrels, optical glass and aluminum.

The Department of Munitions and Supply has also undertaken hundreds of construction projects in the Dominion. To November 30th, more than 1,800 contracts for expenditures totalling more than \$165 millions were awarded for construction work.

In addition to materials already being produced, work is in progress and in most cases well advanced for the following equipment:

3.7-inch AA guns and carriages complete	Reconnaissance cars
Naval guns, 3 types	Tank bomb throwers
Boys' anti-tank rifles	Predictors for anti-aircraft guns
Naval mountings, 2 types	Vickers machine guns
A third type of AA barrels	Sten machine carbines
Another type of artillery carriage	Browning tank type machine guns
Scout armoured cars	Secret equipment and weapons of various types
Scout cars	Service planes, 3 types
Armoured cars	Training planes, 1 type.

## THE HOME FRONT

### Controlling Prices

**D**URING the first month of its operation under the Wartime Prices and Trade Board the price "Ceiling" has been clarified, methods have been developed to meet many difficulties arising under it, and the administrative machinery for its application has been brought near completion.

Power has been given to the Board's Administrators to sanction such adjustments in prices, other than retail prices, as may be necessary to allow the "squeeze" to be fairly distributed throughout each industry or trade. The approval of an Administrator is required for price advances even in the case of production of goods or supplies indirectly destined for war production. Adjustments of prices to share out the "squeeze" have been agreed upon in a number of industries, including the primary cotton textile industry, the shoe trade and the tea trade.

In some cases Government assistance is being given where it is necessary to maintain supplies under the retail



ceiling. A subsidy has been provided for milk production. Subsidies are to be paid to importers whose costs have risen above a level at which they can continue in business, but in addition to the types of import excluded from subsidy relief by the earlier Statement on Imports, a list of over 30 more classes of non-essential goods is added to the exclusions by a new Statement on Import Policy.

Some further exemptions from the retail ceiling have been made, notably some kinds of fish.

The prices of goods and services not sold between September 15th to October 11th are to bear the normal relation to the prices of goods which were sold then and Retail Price Committees under the Administrator of Retail Trade are to fix maximum prices in doubtful cases.

The Rentals Administration has been reorganized and new regulations issued. The Consumer Credit Regulations have been amended to tighten some controls and to ease their application to primary producers with seasonal incomes. The Board has extended individual licensing to all businesses covered by the ceiling, though licence numbers need no longer appear on sales slips.

With few exceptions the business community and general public have given the Board excellent co-operation in bringing into effect the price ceiling policy and in overcoming the difficulties involved.

## Supply

THE goods and manufactures ordinarily consumed by Canadians are becoming progressively fewer and more restricted in variety as war makes heavier demands upon materials, machinery and labor.

The Japanese war has given an impetus to restrictions, for a number of vital commodities come from the Far Eastern area, now embroiled in war. Entry of the United States into active participation in war will also prevent Canada from drawing as heavily as formerly from United States stockpiles.

Controls placed in effect by the Wartime Industries Control Board of the Department of Munitions and Supply on such raw materials as rubber, tin and silk will affect every Canadian.

Because rubber is imported from the Far East, supplies in Canada are being closely husbanded. Manufacture of passenger car tires will stop, with the exception of the few needed for new cars, which in no case will carry spare tires. Hundreds of non-essential rubber products will be denied consumers.

Tin will also be severely restricted in use. Britannia metal, the base metal for less expensive jewelry and silverware, is banned.

Stocks of raw silk, the only source of which was the Orient, were frozen several months ago.

Kapok, another material imported from the Far East, will be available only for military goods. This material is used in the lining of flying suits, life-preservers and floats for the air force, army and navy. Supplies of manila hemp have also been frozen.

Restrictions are rapidly expanding into every field: Toys, electric appliances, metal furniture and equipment, brass articles, electric refrigerators, sewing machines, washing machines, and numerous other articles.

Automobile models for 1942 will glitter less. From January 15th no copper, nickel, chrome or aluminum can be used for a metal finish or trim in passenger cars and trucks.

The 1942 output of light trucks will be drastically reduced and the manufacture of transports and buses limited. For trucks under 10,000 lbs. gross rating only half the 1941 output can be built in 1942. No more furniture vans, transports or buses can be built than in 1941.

Rationing of gasoline was announced by Munitions Minister C. D. Howe, beginning April 1. No supplies of gasoline will be available except by rationing coupons after that date.

Curtailment of gasoline consumption will be obtained chiefly through limitation of non-essential private driving. These vehicles will be placed in the basic or A category. Other classifications will be established to include car driving essential for private use. Commercial vehicles will be allowed gasoline up to their proved normal requirements.

Tourists will be allowed to buy gasoline "to the same relative extent as Canadians who drive cars which fall within the same basic category."

## **Mobilization of Manpower**

**F**URTHER mobilization of Canadian manpower under the National Resources Mobilization Act will be undertaken, Air Minister C. G. Power announced.

The Minister said that under the act the Dominion has the fullest authority and jurisdiction to bring about national selective service of men and women. The Government proposes to use these powers in seeing every man and woman is in the job which will be of most benefit to the country as a whole.

Mr. Power stated:

"We will organize manpower for the defence of our shores, so as not to be a liability to our friends and allies; and so that there shall be no chink in the armor of the democratic front. We will mobilize manpower for the greater production of munitions and food so as to be an asset to our friends and allies. We will organize the women to work in the arsenals, the shops and factories".

## **Extend Wage Order**

**E**XTENSION of the Government's wage stabilization to cover all industrial employees was announced. Under the original order employers in the building and construction industries with less than 10 employees and other employers with less than 50 employees were exempted from provisions of the order. These exemptions have been eliminated.

The order now affects every class of employee except Dominion, provincial and municipal employees; employees in agriculture, horticulture, fishing, hunting, trapping, domestic service and employees of certain non-profit institutions.

Separate regional war labour boards for each province were set up at the same time, expanding the number in operation from five to nine.



## **\$10 Stops a German Panzer Wagon**

**A German Tank can be stopped with  
a direct hit from a 25-pounder gun  
—\$10 will buy that shell!**

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***Stop a German Tank***  
**BY BUYING A**  
**War Savings Certificate**

## **Make Rubber STRETCH!**

**Rubber is on the "critical" list. Lack of it  
would hamper Canada's war effort. It is the  
duty of every Canadian to salvage and reclaim  
as much used rubber as possible.**

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***Help your local Salvage  
Committee!***